

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
SEPTEMBER 26, 2023

The monthly Board Meeting of the Board of Directors of Menard Electric Cooperative was called to order at 6:00 P.M. at the Headquarters of the Cooperative, 14300 State Highway 97, Petersburg, County of Menard and State of Illinois.

On roll call the following Directors were present in person or by zoom: President Warren D. Goetsch, Directors D. Jay Frye, Gary Holloway, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Dennis Ryan and Jodine Tate. Absent was Steven L. Worner. Also present was General Manager Alisha Anker and Attorney Charles K. Smith.

The Agenda of the meeting was read. There were no changes to the Agenda. Thereafter, with President Goetsch presiding and with these minutes being transcribed by or under the direction of Secretary Patrick, the following procedures were had (all action being first duly moved and seconded, and all action taken being upon the unanimous vote of the Board, or without dissenting vote or abstention, unless otherwise stated).

Cooperative Auditor, Thomas Hancock, from the Auditing Firm of Kelso Lynch, P. C. was present via zoom and reviewed the information set forth in the 2022 Form 990. After discussion he left the meeting.

Board Secretary Michael Patrick reviewed and signed the Organizational Document Certification to support Bylaw changes approved previous meeting.

General Manager Anker presented the proposed Missouri Electric Works Consent Decree. She reviewed the history of Menard's involvement with the Missouri Electric Works Site. She reviewed the terms of the Offer of Settlement. There was discussion about the terms. It was moved and seconded that the Cooperative enter into the Missouri Electric Works Consent Decree. Motion carried.

General Manager Anker presented the Manager's Report for August, 2023. She reviewed the Operating Statement, Balance Sheet and Budget. She presented the Member Services Report, past due notices, generated cut-off tickets and write-offs for the Month. She reviewed the Operations Report and Reliability Report for the Month and advised there were 86 incidents, the longest duration of an outage was 272 minutes, total member minutes were 114,620.72 and largest number of Members affected by a single outage was 753. General Manager Anker presented the Safety Report and advised that the Safety Meeting was held on September 19, 2023, and that the Guest Director was Donald E. McMillan. She advised that Meeting Topics were grounding and line retirements refresher, lineman rodeo set-up assistance and judging the AIEC RESAP. General Manager Anker presented the Load Control Report, including the Coop's contribution during three control dates. General Manager Anker discussed the contents of the Connect Newsletter. General Manager Anker discussed the FEMA public assistance available now in Sangamon and Macon Counties following storms of June 29-July 2, 2023, and the co-

op's plan to apply for funding. General Manager Anker discussed the Letter of Interest sent to Rural Utility Services advising that Menard intended to seek New ERA Grant Program Funding from RUS, pursuant to the Notice of Funding Opportunity, and reviewed several estimates of the project cost under various funding scenarios. The Board reviewed and discussed photographs of the new mechanical lift system. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

President Goetsch reported on AIEC Activities. He advised that there was no Meeting for the month.

Director Martin reported on Prairie Power, Inc. He advised that there was no Meeting for the month, yet reviewed the President's Report and Energy Charge Summary.

General Manager Anker presented the Capital Credit Estate Refunds Report.

It was moved and seconded that the Board enter into Executive Session. Motion carried.

It was moved and seconded that the Board reconvene the monthly Board Meeting. Motion carried.

President Goetsch advised the next regular Board Meeting was scheduled for Tuesday, October 24, 2023, at 6:00 p.m.

There being no further business to come before the Board, it was moved and seconded the Meeting be adjourned. Motion carried.

Respectfully submitted,

Secretary

President

MENARD ELECTRIC COOPERATIVE
MONTHLY OPERATING REPORT

| | Year to Date | | | August 2023 | | This Month | | |
|-----------------------------------|------------------|------------------|------------------|------------------|----------------|----------------|------------------|------------------|
| | Last Year | This Year | Budget | Variance | Last Year | This Year | Budget | Variance |
| 1. Operating Revenue | 20,673,698 | 23,332,559 | 23,753,388 | (420,829) | 3,437,179 | 3,416,033 | 4,532,329 | (1,116,296) |
| kWhr Sold | 141,371,164 | 143,088,503 | 138,549,423 | 4,539,080 | 23,160,279 | 20,880,590 | 22,371,443 | (1,490,853) |
| 2. Cost of Power | 11,405,741 | 12,995,649 | 13,861,179 | 865,530 | 2,206,614 | 2,247,126 | 2,479,546 | 232,420 |
| kWhr Purchased | 152,635,064 | 154,248,359 | 149,460,100 | (4,788,259) | 24,844,379 | 22,511,701 | 24,384,000 | 1,872,299 |
| 3. Operation Expense | 1,380,844 | 805,332 | 1,223,397 | 418,065 | 171,462 | (60,145) | 174,776 | 234,921 |
| 4. Maintenance Expense | 2,243,133 | 2,229,705 | 2,519,655 | 289,950 | 375,364 | 391,153 | 355,216 | (35,937) |
| 5. Consumer Accounts & Coll. Exp. | 282,488 | 331,347 | 383,739 | 52,392 | 41,730 | 37,977 | 46,902 | 8,925 |
| 6. Member Service Expense | 179,822 | 208,535 | 201,258 | (7,277) | 22,412 | 23,943 | 25,096 | 1,153 |
| 7. General Office Expense | 414,935 | 384,499 | 416,268 | 31,769 | 43,335 | 44,552 | 56,541 | 11,989 |
| 8. Outside Professional Services | 20,192 | 69,441 | 73,336 | 3,895 | 0 | 3,255 | 2,917 | (338) |
| 9. Insurance, Employee & Welfare | 1,429 | 15,645 | 6,925 | (8,720) | 770 | 1,544 | 825 | (719) |
| 10. Director's Fee & Mileage | 92,813 | 86,146 | 98,098 | 11,952 | 9,687 | 13,215 | 12,678 | (537) |
| 11. Dues - Assoc. Organizations | 92,003 | 87,740 | 90,188 | 2,448 | 10,762 | 11,583 | 12,223 | 640 |
| 12. Other Misc. General Expense | 276,819 | 312,950 | 300,177 | (12,773) | 42,752 | 35,044 | 39,664 | 4,620 |
| 13. Depreciation Expense | 1,628,442 | 1,708,426 | 1,723,300 | 14,874 | 208,451 | 221,339 | 218,933 | (2,406) |
| 14. Tax Expense - Property | 211,231 | 213,636 | 213,560 | (76) | 26,025 | 26,695 | 26,695 | 0 |
| 15. Tax Expense - Other | 25,238 | 19,341 | 19,235 | (106) | 2,701 | 2,746 | 3,589 | 843 |
| 16. Interest Expense on L-T Debt | 785,762 | 906,076 | 811,220 | (94,856) | 119,167 | 123,459 | 41,666 | (81,793) |
| 17. Total Expense less Power | 7,635,152 | 7,378,818 | 8,080,356 | 701,538 | 1,074,618 | 876,362 | 1,017,721 | 141,359 |
| 17a. Total Operating Cost | 19,040,893 | 20,374,467 | 21,941,535 | 1,567,068 | 3,281,233 | 3,123,488 | 3,497,267 | 373,779 |
| 18. Operating Margins | 1,632,805 | 2,958,092 | 1,811,853 | 1,146,239 | 155,946 | 292,545 | 1,035,062 | (742,517) |
| 19. Non-Operating Margins | 41,235 | 21,210 | 28,800 | (7,590) | 4,320 | (11,986) | 3,600 | (15,586) |
| 20. G & T Capital Credits | 1,062,294 | 1,069,288 | 1,000,000 | 69,288 | 0 | 0 | 0 | 0 |
| 21. Other Capital Credits | 165,291 | 102,877 | 159,050 | (56,173) | 28,247 | 0 | 28,250 | (28,250) |
| 22. Total Margins | 2,901,625 | 4,151,467 | 2,999,703 | 1,151,764 | 188,513 | 280,559 | 1,066,912 | (786,353) |

Balance Sheet Analysis

Menard Electric Coop

08/31/2022 - 08/31/2023

19-Sep-23

| | Prior Yr Balance 08/31/2022 | Current Yr Balance 08/31/2023 | End of Yr Balance 12/31/2022 | Change YTD |
|--|-----------------------------------|-------------------------------------|------------------------------------|------------------|
| ASSETS: | | | | |
| Utility Plant in Service | 82,005,485 | 86,824,501 | 83,143,441 | 3,681,060 |
| Construction Work in Process | 517,354 | 706,108 | 888,872 | (182,764) |
| Total Utility Plant in Service | 82,522,839 | 87,530,609 | 84,032,313 | 3,498,296 |
| Accumulated Depreciation | (24,732,172) | (24,144,127) | (25,129,442) | 985,315 |
| Net Utility Plant | 57,790,667 | 63,386,482 | 58,902,871 | 4,483,611 |
| Nonutility Property - Net | | | | 0 |
| Inv.in Assoc.Org.-Pat.Cap. | 14,408,903 | 15,513,668 | 14,405,851 | 1,107,817 |
| Inv.in Assoc.Org.- General Funds | | | | 0 |
| Inv.in Assoc.Org.-Non Gen Funds | 681,032 | 680,032 | 680,032 | 0 |
| Investments in Economic Dev. Projects | | | | 0 |
| Other Investments | 1,408,605 | 704,305 | 704,305 | 0 |
| Special Funds | 239,703 | 160,110 | 186,550 | (26,440) |
| Total Other Prop. & Investments | 16,738,243 | 17,058,115 | 15,976,738 | 1,081,377 |
| Cash-General Funds | 904,600 | 703,900 | 824,353 | (120,453) |
| Cash-Constr.Fund Trustee | 454 | 454 | 454 | 0 |
| Special Deposits | 9,450 | 3,453 | 7,634 | (4,181) |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Notes Receivable - Net | 0 | 0 | 0 | 0 |
| Accounts Receivable-Net-Energy | 3,539,641 | 3,734,599 | 2,732,388 | 1,002,211 |
| Accounts Receivable-Net-Other | 1,452 | 1,426 | 286 | 1,140 |
| Materials & Supplies | 1,328,726 | 1,531,561 | 1,473,956 | 57,605 |
| Prepayments | 156,490 | 97,583 | 192,105 | (94,522) |
| Other Current & Accrued Assets | 13,280 | 13,280 | 8,697 | 4,583 |
| Total Current & Accrued Assets | 5,954,093 | 6,086,256 | 5,239,873 | 846,383 |
| Regulatory Assets | 0 | 0 | 0 | 0 |
| Deferred Debits | 0 | 0 | 0 | 0 |
| TOTAL ASSETS & OTHER DEBITS | 80,483,003 | 86,530,853 | 80,119,482 | 6,411,371 |
| OWNER'S EQUITY: | | | | |
| Memberships | 327,370 | 335,445 | 330,120 | 5,325 |
| Patronage Capital | 27,948,504 | 28,726,131 | 27,884,522 | 841,609 |
| Operating Margins-Prior Years | 0 | 0 | 0 | 0 |
| Operating Margins-Current Year | 2,901,626 | 4,151,467 | 1,968,911 | 2,182,556 |
| Non-Operating Margins | 0 | 0 | 0 | 0 |
| Other Margins & Equities | 3,135,267 | 3,178,737 | 2,988,750 | 189,987 |
| Total Margins & Equities | 34,312,767 | 36,391,780 | 33,172,303 | 3,219,477 |
| LIABILITIES: | | | | |
| Long Term Debt-RUS | 747,862 | 676,411 | 724,061 | (47,650) |
| Long Term Debt Other - RUS Guar. | 28,944,697 | 33,251,733 | 29,808,066 | 3,443,667 |
| Long Term Debt - Other | 9,686,211 | 9,272,541 | 9,531,004 | (258,463) |
| Long Term Debt Other - Adv Payments | 0 | 0 | 0 | 0 |
| Total Long Term Debt | 39,378,770 | 43,200,685 | 40,063,131 | 3,137,554 |
| Accumulated Operating Provisions | 1,084,011 | 784,278 | 794,171 | (9,893) |
| Total Other Noncurrent Liabilities | 1,084,011 | 784,278 | 794,171 | (9,893) |
| Notes Payable | 1,500,000 | 1,500,000 | 1,300,000 | 200,000 |
| Accounts Payable | 3,016,182 | 2,856,424 | 3,147,089 | (290,665) |
| Deposits | 200,865 | 232,387 | 203,095 | 29,292 |
| Other Current & Accrued Liabilities | 764,304 | 801,397 | 509,949 | 291,448 |
| Total Current & Accrued Liabilities | 5,481,351 | 5,390,208 | 5,160,133 | 230,075 |
| Deferred Credits | 226,104 | 763,902 | 929,744 | (165,842) |
| Miscellaneous Operating Reserves | | | | 0 |
| TOTAL LIAB.'S & OTHER CREDITS | 80,483,003 | 86,530,853 | 80,119,482 | 6,411,371 |

MENARD ELECTRIC COOPERATIVE

| | This Month | | | | |
|-----------------------------------|------------|------------|------------|------------|------------|
| | August19 | August20 | August21 | August22 | August23 |
| 1. Operating Revenue | 3,314,015 | 3,388,183 | 3,330,328 | 3,437,179 | 3,416,033 |
| kWhr Sold | 24,015,752 | 25,768,874 | 22,656,686 | 23,160,279 | 20,880,590 |
| 2. Cost of Power | 2,090,176 | 2,134,284 | 1,511,477 | 2,206,614 | 2,247,126 |
| kWhr Purchased | 25,963,692 | 27,780,155 | 24,422,784 | 24,844,379 | 22,511,701 |
| 3. Operation Expense | 105,764 | 150,367 | 74,436 | 171,462 | (60,145) |
| 4. Maintenance Expense | 264,061 | 197,493 | 297,758 | 375,365 | 391,153 |
| 5. Consumer Accounts & Coll. Exp. | 41,535 | 31,882 | 31,959 | 41,730 | 37,978 |
| 6. Member Service Expense | 17,160 | 22,109 | 16,751 | 22,412 | 23,942 |
| 7. General Office Expense | 51,394 | 46,621 | 72,170 | 43,335 | 44,553 |
| 8. Outside Professional Services | 9,945 | (6,142) | 1,395 | 0 | 3,255 |
| 9. Insurance, Employee & Welfare | 1,238 | 412 | 1,865 | 770 | 1,544 |
| 10. Director's Fee & Mileage | 13,845 | 5,282 | 18,639 | 9,687 | 13,215 |
| 11. Dues - Assoc. Organizations | 11,526 | 11,772 | 11,788 | 10,762 | 11,583 |
| 12. Other Misc. General Expense | 31,356 | 24,493 | 50,806 | 42,752 | 35,044 |
| 13. Depreciation Expense | 186,960 | 196,272 | 198,334 | 208,451 | 221,339 |
| 14. Tax Expense - Property | 23,400 | 24,025 | 24,925 | 26,025 | 26,695 |
| 15. Tax Expense - Other | 2,692 | 2,801 | 2,681 | 2,701 | 2,746 |
| 16. Interest Expense | 114,451 | 106,588 | 99,720 | 119,167 | 123,459 |
| 17. Total Expense less Power | 875,327 | 813,975 | 903,226 | 1,074,619 | 876,361 |
| 17a. Total Operating Cost | 2,965,503 | 2,948,259 | 2,414,703 | 3,281,233 | 3,123,487 |
| 18. Operating Margins | 348,512 | 439,924 | 915,625 | 155,946 | 292,546 |
| 19. Non-Operating Margins | 5,291 | (5,430) | 3,413 | 4,320 | (11,986) |
| 20. G & T Capital Credits | 0 | 0 | 0 | 0 | 0 |
| 21. Other Capital Credits | 454 | 810 | 0 | 28,247 | 0 |
| 22. Total Margins | 354,257 | 435,304 | 919,038 | 188,513 | 280,560 |